Abstract: China’s government strength, which the author calls “soft power”, is not as great as that of the economy, but is stronger than the military. China’s most important issue to resolve is not low productivity, but rather an unharmonious society which has created the need for a reform of social institutions. Being in the international marketplace, China is having more and more problems, as it cannot simply develop its economy, but must work to improve its relationships with other countries as well.

I. Institutions and Social Justice are the Basis for “Soft Power”

A country’s power is comprehensive: it is a combination of “soft power” and “hard power”. Soft power refers to the ability to politically mobilize a nation, both internally and externally. It is a country’s ability to utilize all resources at its disposal most effectively, as opposed to the presence of material resources themselves. Thousands of years ago, the famous Chinese philosopher GUAN Zi discussed the issue, although the concept of soft power did not exist at that time. GUAN Zi said “A wise emperor adopts a legal system internally and externally practices its ideology and moral principles. As a result, neighboring countries are friendly to the nation and trust the nation. When there are troubles within a nation, the neighboring countries come to the rescue. A bad emperor loses the trust of his people internally and externally cannot win the trust of his neighbors. When he has trouble, no country comes to his aid. Causing trouble with neighboring countries makes a country isolated, weak, and eventually reflects poorly on the people of the nation.” As we can see, over two thousand years ago, Chinese sages already realized the basis of soft power: sound societal institutions and the pursuit of social justice.

II. China’s Improvements in Material Power Differ from Increases in Soft Power

China’s material power has increased enormously, but this has not measurably improved its soft power. In principle, if a country is rich economically and powerful militarily, but it is widely perceived to be an immoral country adverse to world trends, then its international influence remains quite low. Japan, the second largest economy in the world, has been trying to become a permanent member of the United Nations Security Council. For this purpose, it has increased its offers of international assistance. But neighboring East Asian countries do not believe Japan has adequately apologized for its crimes during the World War II, and therefore cannot get support from neighboring countries. So far, Japan has failed in its ambitions to become a permanent member of the Security Council. After George W. Bush’s assumption of power in the U.S., its defense budget has spiked leading to an increase in military power, but due to its unilateralist policies and a long war in Iraq, its soft power has also been decreasing. In the 1980s, China’s economic power was steadily increasing but soft power fluctuated. Indeed, through the 1980s, soft power had been growing, but after 1989, soft power decreased to almost zero. Afterwards, soft power has been gradually increasing again.

Comparing China’s economic, political, and military power, we can discover that China’s
political power, i.e. soft power, is weaker than China’s economic power, but is stronger than its military power. Chinese economic power has already had a demonstrable impact on the world: China has trade relationships with over one hundred nations. But at the same time, trade disputes are also increasing with many countries. As for political power, it is essentially concentrated in a geographically small area. Further regions are influenced very little by Chinese political decisions. Chinese military power is basically defense-oriented, and its influence is limited to immediately neighboring regions. China’s national restoration and the circumstances of China’s re-emergence have reached a new stage, but China’s soft power seems to be incompatible with the needs of China’s increase. The next section describes methods China should consider in order to increase its soft power.

III. Reform of China’s Social Institutions as the Basis for a Harmonious Society

Following the logic of economic theory, development is the most important task. Many people believe that the richer China becomes, the greater China’s ability is to improve its international and domestic mobilization capacity. But historical fact shows this is not true. In the 1950s, China’s economy was much poorer than it is now, but the domestic capacity of mobilization was much greater than now. In the 1970s and early 1980s, the nation’s economy was less developed than now, but China’s international political influence was stronger than it is now. Currently, China has a surplus economy. Thus, the main social problem is not low productivity- it is the question of how to improve China’s social institutions in order to catch up with China’s increase in production capacity, thereby harmonizing society. Improving China’s capacity of production alone cannot resolve these problems. Historically, in the Warring States period of Chinese history (475-221 BC), iron weapons and armor were widely used: production capacity was much greater than when copper was used during the earlier Western Zhou (1027-771 BC) period. However, the Western Zhou dynasty retained a relative peace, while the Warring States period was characterized by bloodshed and political turmoil. As another example, U.S. economic development level is much higher than Scandinavian societies, but their society is not as harmonious as those same Scandinavian countries. China’s development level in the 1950s and 1960s was lower than today, but that was the most harmonious social period in the history of the People’s Republic of China. Therefore, establishing a harmonious society and increasing government political ability mobilization requires reform of social institutions to make them compatible with the increase in production capacity.

Resolving domestic social problems is not only important to increasing the Chinese government’s capacity for domestic mobilization- it is also the foundation of improving international influence. When other countries believe that a nation is heading in the right direction towards international progress and human justice, the country gains international status. This is the capacity for upward international mobility.

The question then becomes: how does international society perceive China? This is the issue of whether China can improve its international status and its ability to gain prestige internationally. When Chinese behavior is applauded by the international community, China’s status and ability of mobilization will increase, and Chinese proposals will have a better chance of being supported by other nations. On the other hand, in today’s world of great media freedom, when Chinese social problems deteriorate, its international image and political influence
The Central Committee of the Communist Party, at the Fifth Plenary meeting of the 16th Congress, established the priority of constructing a harmonious society. In the summit celebrating the 60th anniversary of the U.N., President Hu Jintao announced the objective of building a harmonious world and four policies were put forth to pursue this goal. The current government of China has already announced specifically and clearly the objective of increasing soft power. But the mainstream thinking in China, formed during the past twenty years of economic reform, is still to concentrate on economic issues. This creates a major obstacle for balancing economic development and harmonizing society. Many people still believe building productive capacity is the foundation of building a better social structure. They fail to realize that whether harmony exists is not dependent on wealth but instead depends on the extent of social justice. The foundation of a harmonious society is an increase in the pace of social institution reform simultaneously with that of an increase in society’s production capacity. That is the fundamental key to establishing a harmonious society: reform of social institutions.

IV. Improving China’s National Image and Expanding China’s Friendly Relationships in the World

Focusing solely on economic development has already delayed and impeded the improvement of Chinese society and therefore limited the ability for international mobility. The Chinese economy is already very influential, but this influence has both positive and negative aspects. In the past, the economy was very small, with mostly one-floor buildings. In that case, economic development had few negative influences. The current construction situation is different. According to a report in The New York Times, the annual pace of construction of skyscrapers over eighteen stories high in Shanghai is three times that of New York City. Considering all structures, the pace of construction of Shanghai is ten times that of New York City. With ever-higher skyscrapers, it is more possible that sunlight will be blocked for people living behind them, which could cause social conflict. In 2004, China’s volume of trade was already ranked third, greater than that of Japan. As a result of this emergence, China will face more and more problems, conflicts will intensify and relationships will worsen. Economic development cannot be the only goal. China must try to reduce international economic conflicts, and the best way to pursue this goal is to adopt preventive policies.

Increasing China’s international political mobilization capacity requires changing the current perception of the international community towards China’s foreign policy. The Chinese diplomatic policy focusing on economic benefits is dangerous and creates fears among other nations. In the twentieth century, many European powers waged colonial wars, wars rooted in economic interests in maintaining colonial possessions. China’s diplomatic policy should not be limited to creating a peaceful environment for economic development. It needs to pay more attention to improving its image and expanding friendly relationships. Effectively implementing diplomatic policies to create a harmonious world is critical to China improving its international political importance.

(The author is the Director of the Institute of International Studies, Tsinghua University School of Humanities and Social Sciences)